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EXAMINER

GILLIGAN, CHRISTOPHER L

ART UNIT	PAPER NUMBER
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3626

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Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/364,803

Applicant(s)

BAUER ET AL.

Examiner

Luke Gilligan

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☐ Responsive to communication(s) filed on \_\_\_\_.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-72 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-72 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

***Response to Amendment***

1. In the amendment filed 5/19/03 in paper number 17, the following has occurred: claims 1 and 13 have been amended. Now, claims 1-72 are presented for examination.
2. The rejections under 35 U.S.C. 101 are withdrawn by the Examiner based on changes made by Applicants to the claims.

***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Luchs et al., U.S. Patent No. 4,831,526 (as cited in the previous Office Action) in view of Hargrove, Jr. et al., U.S. Patent No. 5,897,619.
5. As per claim 1, Luchs et al. teach an on-line insurance policy service system for real-time automated selective adjustment by a policyholder of policy parameters for a policy and system computation and communication of consequent costs, comprising: an information module for identifying a policyholder to the system and for verifying to the policyholder a present policy parameter (see column 3, lines 44-49); and, a policy adjustment module for selectively communicating a desired parameter change by the policyholder and for generating in real-time an adjustment in the policy attributable to the parameter change and directly communicating to the policyholder in real time an acknowledgement of the adjustment (see column 24, lines 17-28, the change must communicated to the policyholder for him/her to approve it. Further, the parameter change is "desired" "by the policyholder").

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6. Luchs et al. do not explicitly teach that the adjustment in the policy is generated without involvement of a customer service representative or agent. However, Hargrove teaches a system for issuing and updating existing farm insurance policies automatically and without involvement of a customer service representative or agent (see column 6, lines 25-28, lines 38-40, and lines 45-56, in particular, note that collected data is validated against various regulatory requirements and rates are determined based on various rate tables). It would have been obvious to one of ordinary skill in the art of automated insurance systems at the time of the invention to incorporate the automated validation and rate determination features of Hargrove into the system of Luchs et al. Utilizing such techniques would bypass the need for involvement of a customer service representative or agent when changing an insurance policy. One of ordinary skill in the art would have been motivated to incorporate this teaching into the system of Luchs et al. for the purpose of enhancing the system's efficiency by bypassing the manual underwriting steps. Moreover, while the Examiner acknowledges the fact that the preferred embodiment of Hargrove is directed to the field of farm insurance, it is respectfully submitted that the insurance underwriting techniques could still be applied to any other field of property insurance.

7. As per claim 2, Luchs et al. in view of Hargrove teach the system of claim 1 as described above. Luchs et al. further teach including a claims information module (see column 11, lines 63-65).

8. As per claim 3, Luchs et al. teach the system of claim 1 as described above. Hargrove further teach including an electronic funds transfer module (see column 1, lines 27-32).

9. As per claim 4, Luchs et al. in view of Hargrove teach the system of claim 1 as described above. Luchs et al. further teach the parameter change comprises a change in location (see column 8, lines 16-18).

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10. As per claim 5, Luchs et al. in view of Hargrove teach the system of claim 1 as described above. Luchs et al. further teach the parameter change comprises a change in resident address of the policyholder (see figure 11A).

11. As per claim 6, Luchs et al. in view of Hargrove teach the system of claim 1 as described above. Luchs et al. further teach the parameter change comprises a change in garage location of a vehicle insured under the policy (see column 8, lines 16-18).

12. As per claim 7, Luchs et al. in view of Hargrove teach the system of claim 1 as described above. Luchs et al. further teach the parameter change comprises a change in item insured by the policy (see column 3, lines 25-29).

13. As per claim 8, Luchs et al. in view of Hargrove teach the system of claim 7 as described above. Luchs et al. further teach the change in item comprises a change in a person insured under the policy (see column 8, lines 16-18, particularly Addl. Names insured from the table referenced).

14. As per claim 9, Luchs et al. in view of Hargrove teach the system of claim 7 as described above. Luchs et al. further teach the change in item comprises a change in insurance coverages, deductibles and policy limits under the policy (see column 3, lines 25-29).

15. As per claim 10, Luchs et al. in view of Hargrove teach the system of claim 7 as described above. Luchs et al. further teach the change in item comprises a vehicle change (see column 25, lines 1-2).

16. As per claim 11, Luchs et al. in view of Hargrove teach the system of claim 10 as described above. Luchs et al. further teach the vehicle changes comprise adding, replacing, or deleting an insured vehicle under the policy (see column 25, lines 1-13).

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17. As per claim 12, Luchs et al. in view of Hargrove teach the system of claim 1 as described above. Luchs et al. further teach an implementing module for submitting and implementing the parameter change (see column 25, lines 57-60).

18. As per claim 13, Luchs et al. teach an on-line insurance policy service system for real-time automated selective adjustment by a policyholder of policy parameters for an insurance policy, and system computation and communication of changes in coverage under the policy, comprising: an information module for identifying a policyholder to the system and for verifying to the policyholder a present policy parameter of a policy held by the policyholder (see column 3, lines 44-49); and, a policy adjustment module for selectively communicating a parameter change from the policyholder, for generating in real-time a cost adjustment attributable to the parameter change and for communicating in real-time the coverage adjustment directly to the policyholder (see column 24, lines 17-28 the change must communicated to the policyholder for him/her to approve it. Furthermore, upon selection of "issue", the policy is changed in "real-time" in accordance with the coverage adjustment, assuming that the policy does not require "non-concurrent underwriting").

19. Luchs et al. do not explicitly teach that the adjustment in the policy is generated without involvement of a customer service representative or agent. However, Hargrove teaches a system for issuing and updating existing farm insurance policies automatically and without involvement of a customer service representative or agent (see column 6, lines 25-28, lines 38-40, and lines 45-56, in particular, note that collected data is validated against various regulatory requirements and rates are determined based on various rate tables). It would have been obvious to one of ordinary skill in the art of automated insurance systems at the time of the invention to incorporate the automated validation and rate determination features of Hargrove into the system of Luchs et al. Utilizing such techniques would bypass the need for involvement

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of a customer service representative or agent when changing an insurance policy. One of ordinary skill in the art would have been motivated to incorporate this teaching into the system of Luchs et al. for the purpose of enhancing the system's efficiency by bypassing the manual underwriting steps. Moreover, while the Examiner acknowledges the fact that the preferred embodiment of Hargrove is directed to the field of farm insurance, it is respectfully submitted that the insurance underwriting techniques could still be applied to any other field of property insurance.

20. As per claim 14, Luchs et al. in view of Hargrove teach the system of claim 13 as described above. Luchs et al. further teach including a claims information module (see column 11, lines 63-65).

21. As per claim 15, Luchs et al. in view of Hargrove teach the system of claim 13 as described above. Hargrove further teach including an electronic funds transfer module (see page 1, lines 27-32).

22. As per claim 16, Luchs et al. in view of Hargrove teach the system of claim 13 as described above. Luchs et al. further teach the parameter change comprises a change in location (see column 8, lines 16-18).

23. As per claim 17, Luchs et al. in view of Hargrove teach the system of claim 13 as described above. Luchs et al. further teach the parameter change comprises a change in resident address of the policyholder (see figure 11A).

24. As per claim 18, Luchs et al. in view of Hargrove teach the system of claim 13 as described above. Luchs et al. further teach the parameter change comprises a change in garage location of a vehicle insured under the policy (see column 8, lines 16-18).

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25. As per claim 19, Luchs et al. in view of Hargrove teach the system of claim 13 as described above. Luchs et al. further teach the parameter change comprises a change in item insured by the policy (see column 3, lines 25-29).

26. As per claim 20, Luchs et al. in view of Hargrove teach the system of claim 19 as described above. Luchs et al. further teach the change in item comprises a change in a person insured under the policy (see column 8, lines 16-18, particularly Addl. Names insured from the table referenced).

27. As per claim 21, Luchs et al. in view of Hargrove teach the system of claim 19 as described above. Luchs et al. further teach the change in item comprises a change in insurance coverages, deductibles and policy limits under the policy (see column 3, lines 25-29).

28. As per claim 22, Luchs et al. in view of Hargrove teach the system of claim 19 as described above. Luchs et al. further teach the change in item comprises a vehicle change (see column 25, lines 1-2).

29. As per claim 23, Luchs et al. in view of Hargrove teach the system of claim 22 as described above. Luchs et al. further teach the vehicle changes comprise adding, replacing, or deleting an insured vehicle under the policy (see column 25, lines 1-13).

30. As per claim 24, Luchs et al. in view of Hargrove teach the system of claim 13 as described above. Luchs et al. further teach an implementing module for submitting and implementing the parameter change (see column 25, lines 57-60).

31. Claims 25-27, 29-33, 35-63, 65-69, and 71-72 are rejected under 35 U.S.C. 103(a) as being unpatentable over Luchs et al., U.S. Patent No. 4,831,526 (as cited in the previous Office Action) in view of Hargrove, International Publication Number WO 00/52616 A2 and further in view of Business Wire, **Electric Insurance Joins Intuit's Quicken InsureMarket Offering**



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**Online Auto Policies in 6 States** (as cited in the previous Office Action, hereinafter "Electric Insurance").

32. As per claim 25, Luchs et al. teach a method of servicing an insurance policy via on-line communications for estimating cost variances attributable to policy parameter changes and for real-time updating of the policy parameters, comprising: communicating from a policyholder through an on-line connection an identity of the policyholder and a policy parameter change to an insurer (see column 3, lines 21-29); calculating a cost variance attributable to the policy parameter change and quoting the cost variance directly to the policyholder back through the on-line connection (see column 3, lines 37-38); submitting the policy parameter change as an implementable change for updating the policy (see column 24, lines 21-24); and adjusting the policy in real-time in accordance with the policy parameter change and verifying the adjusting in directly back in real-time through the on-line connection (see column 24, lines 24-28, the screen shown in Fig. 10H shows a verification of the adjustment directly back in real-time).

33. Luchs et al. do not explicitly teach that the adjustment in the policy is generated without involvement of a customer service representative or agent. However, Hargrove teaches a system for issuing and updating existing farm insurance policies automatically and without involvement of a customer service representative or agent (see column 6, lines 25-28, lines 38-40, and lines 45-56, in particular, note that collected data is validated against various regulatory requirements and rates are determined based on various rate tables). It would have been obvious to one of ordinary skill in the art of automated insurance systems at the time of the invention to incorporate the automated validation and rate determination features of Hargrove into the system of Luchs et al. Utilizing such techniques would bypass the need for involvement of a customer service representative or agent when changing an insurance policy. One of ordinary skill in the art would have been motivated to incorporate this teaching into the system

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of Luchs et al. for the purpose of enhancing the system's efficiency by bypassing the manual underwriting steps. Moreover, while the Examiner acknowledges the fact that the preferred embodiment of Hargrove is directed to the field of farm insurance, it is respectfully submitted that the insurance underwriting techniques could still be applied to any other field of property insurance.

34. Luchs et al. do not explicitly teach using the on-line insurance policy service system over the Internet. Luchs et al. also does not explicitly teach "verifying the adjusting directly back to the policyholder in real-time through the online connection". However, Electric Insurance teaches a system that offers "real-time auto insurance rate quotes and online policy purchase services" (see paragraph 3, as numbered by Examiner). This allows a policyholder an interface to communicate directly with an insurer, through an Internet online connection, to engage in policy purchase services. It would have been obvious to one of ordinary skill in the art of automated insurance systems to employ the Internet interface for communication between an insurer and a policyholder of Electric Insurance with the system of Luchs et al. One of ordinary skill in the art would have been motivated to make such a combination for the purpose of allowing a policyholder the ability to access and change their insurance policy as taught by Luchs et al. in any location that they have access to the Internet. Such a modification to Luchs et al. would be an improvement that would save consumers time and money (see paragraph 9 of Electric Insurance).

35. As per claim 26, Luchs et al. in view of Hargrove and Electric Insurance teach the method of claim 25 as described above. Luchs et al. further teach displaying policy information to the policyholder comprising preexisting policy parameters (see column 6, lines 42-44).

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36. As per claim 27, Luchs et al. in view of Hargrove and Electric Insurance teach the method of claim 25 as described above. Luchs et al. further teach providing on-line forms to the policyholder (see column 3, lines 21-25).

37. As per claim 29, Luchs et al. in view of Hargrove and Electric Insurance teach the method of claim 25 as described above. Luchs et al. further teach displaying claims information to the policyholder and enabling communication of related information concerning a claim through the on-line connection (see column 11, lines 60-65).

38. As per claim 30, Luchs et al. in view of Hargrove and Electric Insurance teach the method of claim 25 as described above. Luchs et al. further teach communicating the policy parameter change comprises at least one of: a vehicle, deletion or replacement, a change in insureds listed in the policy, a change in address or telephone number for an insured, a change in a garage location of an insured vehicle or changes in policy limits, desired coverages or deductibles (see column 8, lines 16-18, particularly the charts cited).

39. As per claim 31, Luchs et al. teach a method of servicing in real-time a preexisting insurance policy via on-line communications for estimating cost variances attributable to policy parameter changes and for real-time updating of the policy parameters, comprising:  
communicating by a policyholder and an insurer through an on-line connection an identity of the policyholder and a policy parameter change (see column 3, lines 21-29); determining a coverage variance attributable to the policy parameter change and quoting by the insurer the cost variance to the policyholder directly back through the on-line connection (see column 3, lines 37-38); submitting the policy parameter change as an implementable change for updating the policy (see column see column 24, lines 21-24); and adjusting the policy in real-time in accordance with the policy parameter change and verifying the adjustment in real-time back to

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the policyholder through the on-line connection (see column 24, lines 24-28, the screen shown in Fig. 10H shows a verification of the adjustment directly back in real-time).

40. Luchs et al. do not explicitly teach that the adjustment in the policy is generated without involvement of a customer service representative or agent. However, teaches a system for issuing and updating existing farm insurance policies automatically and without involvement of a customer service representative or agent (see column 6, lines 25-28, lines 38-40, and lines 45-56, in particular, note that collected data is validated against various regulatory requirements and rates are determined based on various rate tables). It would have been obvious to one of ordinary skill in the art of automated insurance systems at the time of the invention to incorporate the automated validation and rate determination features of Hargrove into the system of Luchs et al. Utilizing such techniques would bypass the need for involvement of a customer service representative or agent when changing an insurance policy. One of ordinary skill in the art would have been motivated to incorporate this teaching into the system of Luchs et al. for the purpose of enhancing the system's efficiency by bypassing the manual underwriting steps. Moreover, while the Examiner acknowledges the fact that the preferred embodiment of Hargrove is directed to the field of farm insurance, it is respectfully submitted that the insurance underwriting techniques could still be applied to any other field of property insurance.

41. Luchs et al. do not explicitly teach using the on-line insurance policy service system over the Internet. Luchs et al. also does not explicitly teach "verifying the adjusting directly back to the policyholder in real-time through the online connection". However, Electric Insurance teaches a system that offers "real-time auto insurance rate quotes and online policy purchase services" (see paragraph 3, as numbered by Examiner). This allows a policyholder an interface to communicate directly with an insurer, through an Internet online connection, to engage in policy purchase services. It would have been obvious to one of ordinary skill in the art of

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automated insurance systems to employ the Internet interface for communication between an insurer and a policyholder of Electric Insurance with the system of Luchs et al. One of ordinary skill in the art would have been motivated to make such a combination for the purpose of allowing a policyholder the ability to access and change their insurance policy as taught by Luchs et al. in any location that they have access to the Internet. Such a modification to Luchs et al. would be an improvement that would save consumers time and money (see paragraph 9 of Electric Insurance).

42. As per claim 32, Luchs et al. in view of Hargrove and Electronic Insurance teach the method of claim 31 as described above. Luchs et al. further teach displaying policy information to the policyholder comprising preexisting policy parameters (see column 6, lines 42-44).

43. As per claim 33, Luchs et al. in view of Hargrove and Electronic Insurance teach the method of claim 31 as described above. Luchs et al. further teach providing on-line forms to the policyholder (see column 3, lines 21-25).

44. As per claim 35, Luchs et al. in view of Hargrove and Electronic Insurance teach the method of claim 31 as described above. Luchs et al. further teach displaying claims information to the customer and enabling communication of related information concerning a claim through the on-line connection (see column 11, lines 60-65).

45. As per claim 36, Luchs et al. in view of Hargrove and Electronic Insurance teach the method of claim 31 as described above. Luchs et al. further teach communicating the policy parameter change comprises at least one of: a vehicle, deletion or replacement, a change in insured's listed in the policy, a change in address or telephone number for an insured, a change in a garage location of an insured vehicle or changes in policy limits, desired coverages or deductibles (see column 8, lines 16-18, particularly the charts cited).

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46. As per claim 37, Luchs et al. teach a fully-automated on-line insurance policy service system delivered via an electronic communications network, for real-time selective adjustment by the policyholder of policy parameters for a policy and system underwriting of risk and the resulting real-time computation and communication of consequent costs, comprising: an information module for identifying a policyholder to the system and for verifying to the policyholder present policy parameters (see column 3, lines 44-49); a policy adjustment module for a policyholder directly communicating a parameter change and for generating in real-time a cost adjustment attributable to the parameter change, for changing the policy in real-time in accordance with the parameter change and directly communicating to the policyholder the resulting cost adjustment (see column 24, lines 17-28, the change must be communicated to the policyholder for him/her to approve it), which module includes the embedded capability to electronically perform underwriting and rating functions and apply relevance criteria based on prior policyholder responses to ensure accurate communication, policy adjustment and rating (see column 4, lines 35-47).

47. Luchs et al. do not explicitly teach that the adjustment in the policy is generated without involvement of a customer service representative or agent. However, teaches a system for issuing and updating existing farm insurance policies automatically and without involvement of a customer service representative or agent (see column 6, lines 25-28, lines 38-40, and lines 45-56, in particular, note that collected data is validated against various regulatory requirements and rates are determined based on various rate tables). It would have been obvious to one of ordinary skill in the art of automated insurance systems at the time of the invention to incorporate the automated validation and rate determination features of Hargrove into the system of Luchs et al. Utilizing such techniques would bypass the need for involvement of a customer service representative or agent when changing an insurance policy. One of ordinary

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skill in the art would have been motivated to incorporate this teaching into the system of Luchs et al. for the purpose of enhancing the system's efficiency by bypassing the manual underwriting steps. Moreover, while the Examiner acknowledges the fact that the preferred embodiment of Hargrove is directed to the field of farm insurance, it is respectfully submitted that the insurance underwriting techniques could still be applied to any other field of property insurance.

48. Luchs et al. do not explicitly teach using the on-line insurance policy service system over the Internet. However, Electric Insurance teaches a system that offers "real-time auto insurance rate quotes and online policy purchase services" (see paragraph 3, as numbered by Examiner). This allows a policyholder an interface to communicate directly with an insurer, through an Internet online connection, to engage in policy purchase services. It would have been obvious to one of ordinary skill in the art of automated insurance systems to employ the Internet interface for communication between an insurer and a policyholder of Electric Insurance with the system of Luchs et al. One of ordinary skill in the art would have been motivated to make such a combination for the purpose of allowing a policyholder the ability to access and change their insurance policy as taught by Luchs et al. in any location that they have access to the Internet. Such a modification to Luchs et al. would be an improvement that would save consumers time and money (see paragraph 9 of Electric Insurance).

49. Claims 38-48 contain substantially similar limitations to claims 2-12 and, as such, are rejected for similar reasons as given above.

50. As per claim 49, Luchs et al. teach a fully-automated on-line insurance policy service system delivered via an electronic communications network, for real-time selective adjustment by the policyholder of policy parameters for a policy and system underwriting of risk and the resulting computation and communication of consequent costs, comprising: an information module for identifying a policyholder to the system and for verifying to the policyholder present

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policy parameters of a policy held by the policyholder (see column 3, lines 44-49); and a policy adjustment module for a policyholder directly communicating a parameter change to the insurer, for generating, electronically and in real-time, a coverage adjustment directly to the policyholder (see column 24, lines 17-28, the change must communicated to the policyholder for him/her to approve it), which module includes the embedded capability to electronically perform underwriting and rating functions and apply relevance criteria to ensure accurate communication, policy adjustment and rating (see column 4, lines 35-47).

51. Luchs et al. do not explicitly teach that the adjustment in the policy is generated without involvement of a customer service representative or agent. However, Hargrove teaches a system for issuing and updating existing farm insurance policies automatically and without involvement of a customer service representative or agent (see column 6, lines 25-28, lines 38-40, and lines 45-56, in particular, note that collected data is validated against various regulatory requirements and rates are determined based on various rate tables). It would have been obvious to one of ordinary skill in the art of automated insurance systems at the time of the invention to incorporate the automated validation and rate determination features of Hargrove into the system of Luchs et al. Utilizing such techniques would bypass the need for involvement of a customer service representative or agent when changing an insurance policy. One of ordinary skill in the art would have been motivated to incorporate this teaching into the system of Luchs et al. for the purpose of enhancing the system's efficiency by bypassing the manual underwriting steps. Moreover, while the Examiner acknowledges the fact that the preferred embodiment of Hargrove is directed to the filed of farm insurance, it is respectfully submitted that the insurance underwriting techniques could still be applied to any other field of property insurance.



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52. Luchs et al. do not explicitly teach using the on-line insurance policy service system over the Internet. However, Electric Insurance teaches a system that offers "real-time auto insurance rate quotes and online policy purchase services" (see paragraph 3, as numbered by Examiner). This allows a policyholder an interface to communicate directly with an insurer, through an Internet online connection, to engage in policy purchase services. It would have been obvious to one of ordinary skill in the art of automated insurance systems to employ the Internet interface for communication between an insurer and a policyholder of Electric Insurance with the system of Luchs et al. One of ordinary skill in the art would have been motivated to make such a combination for the purpose of allowing a policyholder the ability to access and change their insurance policy as taught by Luchs et al. in any location that they have access to the Internet. Such a modification to Luchs et al. would be an improvement that would save consumers time and money (see paragraph 9 of Electric Insurance).

53. Claims 50-60 contain substantially similar limitations to claims 2-12 and, as such, are rejected for similar reasons as given above.

54. As per claim 61, Luchs et al. teach a method of self-administering and modifying, amending and/or supplementing an insurance policy via on-line communications directly between a policyholder and an insurer allowing the policyholder to submit and effect policy parameter changes in real-time, determining cost variances attributable to policy parameter changes and for real-time updating of the policy parameters, comprising: communicating between the policyholder and the insurer through an online connection the identity of the policyholder and a policy parameter change to an insurer (see column 3, lines 44-49); underwriting the risk resulting from the parameter change (see column 4, lines 35-42); calculating a cost variance attributable to the policy parameter change and in real-time quoting the cost variance directly back through the online connection (see column 24, lines 17-21);

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submitting the policy parameter change as an implementable change for updating the policy (see column 24, lines 21-24); and changing the policy in real-time in accordance with the policy parameter change and verifying the changing and adjusting directly back through the on-line connection (see column 24, lines 24-28, the screen shown in Fig. 10H shows a verification of the adjustment directly back in real-time).

55. Luchs et al. do not explicitly teach that the adjustment in the policy is generated without involvement of a customer service representative or agent. However, Hargrove teaches a system for issuing and updating existing farm insurance policies automatically and without involvement of a customer service representative or agent (see column 6, lines 25-28, lines 38-40, and lines 45-56, in particular, note that collected data is validated against various regulatory requirements and rates are determined based on various rate tables). It would have been obvious to one of ordinary skill in the art of automated insurance systems at the time of the invention to incorporate the automated validation and rate determination features of Hargrove into the system of Luchs et al. Utilizing such techniques would bypass the need for involvement of a customer service representative or agent when changing an insurance policy. One of ordinary skill in the art would have been motivated to incorporate this teaching into the system of Luchs et al. for the purpose of enhancing the system's efficiency by bypassing the manual underwriting steps. Moreover, while the Examiner acknowledges the fact that the preferred embodiment of Hargrove is directed to the field of farm insurance, it is respectfully submitted that the insurance underwriting techniques could still be applied to any other field of property insurance.

56. Luchs et al. do not explicitly teach using the on-line insurance policy service system over the Internet. Luchs et al. also does not explicitly teach "verifying the adjusting directly back to the policyholder in real-time through the online connection". However, Electric Insurance

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teaches a system that offers "real-time auto insurance rate quotes and online policy purchase services" (see paragraph 3, as numbered by Examiner). This allows a policyholder an interface to communicate directly with an insurer, through an Internet online connection, to engage in policy purchase services. It would have been obvious to one of ordinary skill in the art of automated insurance systems to employ the Internet interface for communication between an insurer and a policyholder of Electric Insurance with the system of Luchs et al. One of ordinary skill in the art would have been motivated to make such a combination for the purpose of allowing a policyholder the ability to access and change their insurance policy as taught by Luchs et al. in any location that they have access to the Internet. Such a modification to Luchs et al. would be an improvement that would save consumers time and money (see paragraph 9 of Electric Insurance).

57. Claims 62-63 and 65-66 contain similar limitations to claims 26-27 and 29-30 and, as such, are rejected for similar reasons as given above.

58. As per claim 67, Luchs et al. teach a method of self-servicing an existing insurance policy held by the policyholder, via an electronic communications network, directly between a policyholder and an insurer, for estimating cost variances attributable to policy parameter changes and for real-time updating of the policy parameters, comprising: communicating by a policyholder to an insurer, through an online connection, an identity of the policyholder and a policy parameter change (see column 3, lines 44-49); determining a coverage variance attributable to the policy parameter change and quoting by the insurer of the cost variance to the policyholder directly back through the on-line connection (see column 24, lines 17-21); submitting the policy parameter change as an implementable change for updating the policy (see column 24, lines 21-24); adjusting the policy in real-time in accordance with the policy parameter change and verifying the adjustment back in real-time through the on-line connection

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(see column 24, lines 24-28, the screen shown in Fig. 10H shows a verification of the adjustment directly back in real-time).

59. Luchs et al. do not explicitly teach that the adjustment in the policy is generated without involvement of a customer service representative or agent. However, Hargrove teaches a system for issuing and updating existing farm insurance policies automatically and without involvement of a customer service representative or agent (see column 6, lines 25-28, lines 38-40, and lines 45-56, in particular, note that collected data is validated against various regulatory requirements and rates are determined based on various rate tables). It would have been obvious to one of ordinary skill in the art of automated insurance systems at the time of the invention to incorporate the automated validation and rate determination features of Hargrove into the system of Luchs et al. Utilizing such techniques would bypass the need for involvement of a customer service representative or agent when changing an insurance policy. One of ordinary skill in the art would have been motivated to incorporate this teaching into the system of Luchs et al. for the purpose of enhancing the system's efficiency by bypassing the manual underwriting steps. Moreover, while the Examiner acknowledges the fact that the preferred embodiment of Hargrove is directed to the field of farm insurance, it is respectfully submitted that the insurance underwriting techniques could still be applied to any other field of property insurance.

60. Luchs et al. do not explicitly teach using the on-line insurance policy service system over the Internet. Luchs et al. also does not explicitly teach "verifying the adjusting directly back to the policyholder in real-time through the online connection". However, Electric Insurance teaches a system that offers "real-time auto insurance rate quotes and online policy purchase services" (see paragraph 3, as numbered by Examiner). This allows a policyholder an interface to communicate directly with an insurer, through an Internet online connection, to engage in

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policy purchase services. It would have been obvious to one of ordinary skill in the art of automated insurance systems to employ the Internet interface for communication between an insurer and a policyholder of Electric Insurance with the system of Luchs et al. One of ordinary skill in the art would have been motivated to make such a combination for the purpose of allowing a policyholder the ability to access and change their insurance policy as taught by Luchs et al. in any location that they have access to the Internet. Such a modification to Luchs et al. would be an improvement that would save consumers time and money (see paragraph 9 of Electric Insurance).

61. Claims 68-69 and 71-72 contain similar limitations to claims 26-27 and 29-30 and, as such, are rejected for similar reasons as given above.

62. Claims 28, 34, 64, and 70 are rejected under 35 U.S.C. 103(a) as being unpatentable over Luchs et al., U.S. Patent No. 4,831,526 (as cited in the previous Office Action), Hargrove, International Publication Number WO 00/52616 A2, and Business Wire, **Electric Insurance Joins Intuit's Quicken InsureMarket Offering Online Auto Policies in 6 States** (as cited in the previous Office Action) and further in view of Pescitelli et al., U.S. Patent No. 5,845,256 (as cited in the previous Office Action).

63. As per claim 28, Luchs et al. in view of Hargrove and Electronic Insurance teach the method of claim 25 as described above. Luchs et al. do not explicitly teach enabling electronic funds transfer through the on-line connection for payment of policy premiums. Pescitelli et al. teach electronic funds transfer through an on-line connection for payment of payment of policy premiums (see column 3, lines 2-11). It would have been obvious to one of ordinary skill in the art of automated insurance systems to include the on-line payment feature of Pescitelli et al. within the system of Luchs et al. One of ordinary skill in the art would have been motivated to

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make such a combination for the purpose of saving the customer time and effort by providing alternative payment means to mailing in a check or in-person payment.

64. Claims 34, 64, and 70 contain substantially similar limitations to claim 28 and, as such, are rejected for similar reasons as given above.

### ***Response to Arguments***

65. The Examiner has full considered the Arguments, but they are moot in view of the new grounds of rejection detailed above.

### ***Conclusion***

66. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- Schori and Garee discuss the possibility of automatically adjusting existing insurance policies through the Internet.

67. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Luke Gilligan whose telephone number is (703) 308-6104. The examiner can normally be reached on Monday-Friday 8am-5:30pm.

68. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on (703) 305-9588. The fax phone numbers for the organization where this application or proceeding is assigned are (703) 305-7687 for regular communications and (703 )305-7687 for After Final communications.

69. Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

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CLG

August 9, 2003



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